



JUL 14 2011

Kenneth R. Bork Plains Exploration & Production Company 1200 Discovery Drive, Suite 500 Bakersfield, CA 93309

Re: Administrative Amendment to Title V Operating Permit

District Facility # S-1372

Project # 1080474

Dear Mr. Bork:

In accordance with District Rule 2520, Federally Mandated Operating Permits, the District reviewed the Plains Exploration & Production Company application and has administratively amended the requirements for their Title V operating permit. This administrative amendment incorporates the requirements of ATCs S-1372-128-6 and '130-5, which were issued with Certificate of Conformity after EPA review into the Title V permit for this facility. The changes are to assessing VOC emissions based on fugitive component counts and the removal of vapor pressure, and throughput limits, testing, monitoring, and recordkeeping requirements for one crude oil wash tank and one waste water tank served by vapor control. This amended Title V permit is being sent to you as a final action.

Your cooperation in this matter was appreciated. Should you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,

Director of Permit Services

DW:dbt

Gerardo Rios, EPA Region IX CC:

Enclosures

Seved Sadredin

Executive Director/Air Pollution Control Officer

Northern Region 4800 Enterprise Way Modesto, CA 95356-8718 Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office) 1990 E. Gettysburg Avenue Fresno, CA 93726-0244 Tel: (559) 230-6000 FAX: (559) 230-6061

34946 Flyover Court Bakersfield, CA 93308-9725 Tel: 661-392-5500 FAX: 661-392-5585

Southern Region

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1372-128-6

EXPIRATION DATE: 05/31/2007

SECTION: 06 TOWNSHIP: 30S RANGE: 22E

EQUIPMENT DESCRIPTION:

2,500 BARREL WASH TANK (#80) AND TWO FREE WATER KNOCKOUT VESSELS WITH VAPOR RECOVERY SYSTEM SHARED WITH PERMIT UNITS S-1372-129, 130, 131, 132, 133, 134, 135, AND 136 (UNIT LEASE)

PERMIT UNIT REQUIREMENTS

- 1. The vapor recovery system shall include the following operational equipment: pressure/vacuum relief valves, piping to pressure relief valve at vapor collection manifold, one air cooled heat exchanger, one vapor recovery compressor, one compressor discharge gas/liquid separator, one condensate pump, and vapor piping to TEOR vapor control system S-1372-100. [District Rule 2201] Federally Enforceable Through Title V Permit
- Vapor control system efficiency shall be maintained at no less than 99% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
- 3. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rule 2201] Federally Enforceable Through Title V Permit
- The API gravity of an organic liquid stored in this tank shall be less than 26 degrees. [District Rule 2201] Federally Enforceable Through Title V Permit
- The total VOC emissions from the controlled vapor displacement and components connecting vapor control piping between the tank and the main vapor control trunk line shall be less than 0.5 pounds per day. [District Rule 2201] Federally Enforceable Through Title V Permit
- Pressure/vacuum relief valves shall be set to open at 2 oz./square inch pressure and 0.5 oz./square inch vacuum. [District Rule 2201] Federally Enforceable Through Title V Permit
- 7. Vapor compressor shall activate whenever tank internal pressure exceeds 2 oz./square inch. [District Rule 2201] Federally Enforceable Through Title V Permit
- 8. There shall be no truck loading or unloading at this facility. [District Rule 2201] Federally Enforceable Through Title V Permit
- Liquids from gas/liquid separators shall be pumped back to tanks. [District Rule 2201] Federally Enforceable Through Title V Permit
- 10. Gauging or sampling device on this tank shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
- 11. Leak-free shall be a condition without a gas leak or a liquid leak. Gas Leak shall be defined as a reading in excess of 10,000 parts per million by volume (ppmv), as methane, above background on a portable hydrocarbon detection instrument that is calibrated with methane in accordance with the EPA Method 21. Liquid leak is shall be defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 2201] Federally Enforceable Through Title V Permit
- 12. All piping, valves and fittings shall be constructed and maintained in a leak-free condition. [District Rule 2201] Federally Enforceable Through Title V Permit

Facility Name: PLAINS EXPLORATION & PRODUCTION COMPANY Location: HEAVY OIL WESTERN STATIONARY SOURCE, CA S-1972-128-6: Jul 13 2011 4:33PM - TORID

- 13. Hatch, tank seals and seams, cable seals, piping components directly affixed to the tank and within five feet of the tank, including but not limited to valves, flanges, connectors etc shall be inspected annually by the facility operator using portable hydrocarbon detection instrument in accordance with EPA Method 21, visually, or ultrasonically (as appropriate) to ensure the structural integrity of the tank. [District Rules 2201, 4623 (Table 3)] Federally Enforceable Through Title V Permit
- 14. For leaking components, the operator shall immediately affix a tag and maintain records of liquid leak and gas leak detection readings, date/time leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2201, 4623, 5.7 (Table 3)] Federally Enforceable Through Title V Permit
- 15. Upon detection of any gas-leak, the operator shall: (a) Eliminate the leak within 8 hours after detection. (b) If the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices; and eliminate the leak within 48 hours after detection, and (c) In no event that the total time to minimize and eliminate the leak shall exceed 56 hours after detection. [District Rules 2201, 4623, 5.7 (Table 3)] Federally Enforceable Through Title V Permit
- 16. Leaking tank components that have been discovered by the operator and that have been immediately tagged and repaired within the specified deadlines shall not constitute a violation of the District Rule 4623. However, leaking components discovered during inspections by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within specified deadlines, shall constitute a violation of the District Rule 4623. [District Rules 2201, 4623, 5.7 (Table 3)] Federally Enforceable Through Title V Permit
- 17. If a component type for a given tank is found to leak during an annual inspection, then conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If a component type is found to have no leak after four consecutive quarterly inspections, then revert to annual inspections. [District Rules 2201, 4623, 5.7 (Table 3)] Federally Enforceable Through Title V Permit
- 18. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201, 4623, 5.7 (Table 3)] Federally Enforceable Through Title V Permit
- 19. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 20. For crude oil with an API gravity of 26 degrees or less, TVP shall measured using the latest version of the Lawrence Berkeley National Laboratory "Test Method for Vapor Pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph". Should the permittee choose to use different test methodology, the methodology shall be approved by the District, the ARB, and the EPA prior to its use. [District Rules 2201, 4623, 6.4] Federally Enforceable Through Title V Permit
- 21. The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287-92(2000) el "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057-95 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products". Should the permittee choose to use different test methodology, the methodology shall be approved by the District, the ARB, and the EPA prior to its use. [District Rules 2201, 4623, 6.4] Federally Enforceable Through Title V Permit
- 22. The efficiency of any VOC destruction device shall be measured using EPA Method 18, 25, 25A, or 25B (as appropriate). [District Rule 4623, 6.4.6] Federally Enforceable Through Title V Permit
- 23. The operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 24. The operator of a fixed roof tank shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

- 25. Operator shall monitor vapor recovery compressor activation and shut off manometer pressures on quarterly basis to ensure that compressor activation pressure does not exceed pressure relief valve setting. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 26. Operator shall conduct a TVP and API testing at least once every 24 months during summer (July September) and/or whenever there is a change in the source or type of organic liquid stored in the tank. Operator shall submit records of TVP and API gravity testing within 45 days of performing the test. These records shall include the tank identification number, PTO number, type of stored organic liquid, TVP and API gravity of the stored organic liquid, test methods used, and a copy of the test results. [District Rules 2201, 2520, 9.3.2.] Federally Enforceable Through Title V Permit
- 27. The permittee shall maintain records sufficient to demonstrate compliance with the daily emission limit. These records shall contain calculated emission quantity as well as each process variable used in the respective calculations. All records shall be retained on site for a minimum of five years, and shall be made available for District inspection upon request. [District Rules 2201, 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 28. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 29. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Tank emissions are fugitive emissions not considered to come from a point source. Therefore, the requirements of Rule 4801 (Amended 12/17/92) and 40 CFR Part 60 Subparts K, Ka, and Kb do not apply to this source. A permit shield is granted from these requirements [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1372-130-5

EXPIRATION DATE: 05/31/2007

SECTION: 06 TOWNSHIP: 30S RANGE: 22E

EQUIPMENT DESCRIPTION:

2,000 BARREL WATER DISPOSAL TANK (#79) WITH VAPOR RECOVERY SYSTEM SHARED WITH S-1372-128

PERMIT UNIT REQUIREMENTS

- Pressure/vacuum relief valves shall be set to open at 2 oz./square inch pressure and 0.5 oz./square inch vacuum. [District Rule 2201] Federally Enforceable Through Title V Permit
- This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rule 2201] Federally Enforceable Through Title V Permit
- The API gravity of an organic liquid stored in this tank shall be less than 26 degrees, [District Rule 2201] Federally Enforceable Through Title V Permit
- Vapor compressor shall activate whenever tank internal pressure exceeds 2 oz./square inch. [District Rule 2201] Federally Enforceable Through Title V Permit
- There shall be no truck loading or unloading at this facility. [District Rule 2201] Federally Enforceable Through Title V Permit
- Facility piping system shall be routinely inspected for leaks and all leaks shall be promptly repaired. [District Rule 2201] Federally Enforceable Through Title V Permit
- Vapor collection system shall not discharge to atmosphere except during breakdown conditions pursuant to Rule 1100. [District Rule 2201] Federally Enforceable Through Title V Permit
- Liquids from gas/liquid separators shall be pumped back to tanks. [District Rule 2201] Federally Enforceable Through Title V Permit
- Vapor control system efficiency shall be maintained at no less than 99% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
- 10. The total VOC emissions from the controlled vapor displacement and components connecting vapor control piping between the tank and the main vapor control trunk line shall be less than 0.5 pounds per day. [District Rule 2201] Federally Enforceable Through Title V Permit
- 11. Gauging or sampling device on this tank shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
- 12. Leak-free shall be a condition without a gas leak or a liquid leak. Gas Leak shall be defined as a reading in excess of 10,000 parts per million by volume (ppmy), as methane, above background on a portable hydrocarbon detection instrument that is calibrated with methane in accordance with the EPA Method 21. Liquid leak is shall be defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule2201] Federally Enforceable Through Title V Permit
- 13. All piping, valves and fittings shall be constructed and maintained in a leak-free condition. [District Rule 2201] Federally Enforceable Through Title V Permit

Facility Name: PLAINS EXPLORATION & PRODUCTION COMPANY Location: HEAVY OIL WESTERN STATIONARY SOURCE, CA 8-1372-130-5: Jul 13 2011 4:33PM – TORID

- 14. Hatch, tank seals and seams, cable seals, piping components directly affixed to the tank and within five feet of the tank, including but not limited to valves, flanges, connectors etc shall be inspected annually by the facility operator using portable hydrocarbon detection instrument in accordance with EPA Method 21, visually, or ultrasonically (as appropriate) to ensure the structural integrity of the tank. [District Rules 2201, 4623 (Table 3)] Federally Enforceable Through Title V Permit
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- The permittee shall maintain records sufficient to demonstrate compliance with the daily emission limit. These records shall contain calculated emission quantity as well as each process variable used in the respective calculations. All records shall be retained on site for a minimum of five years, and shall be made available for District inspection upon request. [District Rules 2201, 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 29. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V
- This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Tank emissions are fugitive emissions not considered to come from a point source. Therefore, the requirements of Rule 4801 (Amended 12/17/92) and 40 CFR Part 60 Subparts K, Ka, and Kb do not apply to this source. A permit shield is granted from these requirements [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit